

GOVERNMENT THAT WORKS!
NEW JERSEY DEPARTMENT OF THE TREASURY
LOCAL GOVERNMENT BUDGET REVIEW
TOWNSHIP OF WILLINGBORO

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**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
TOWNSHIP OF WILLINGBORO**

A.	Building Maintenance - Staffing	\$ 34,275
B.	Public Assistance Account	\$ 2,700
C.	Public Library - become Branch of County	\$491,442
D.	Investment Income	\$ 52,650
E.	Property Tax Collection	\$245,000
F.	Police Department - Vehicle Maintenance	\$ 20,000
G.	Recreation - Subsidy Reduction	\$140,000
TOTAL OPERATION BUDGET SAVINGS		\$986,067

Total Amount to be Raised for Municipal Tax	\$ 9,320,010
Savings as % of Municipal Tax	10.6%
Total Budget (FY94)	\$18,619,000
Savings as a % of Budget	5.3%
Total State Aid (unrestricted FY94)	\$ 4,424,674
Savings as a % of State Aid	22.3%

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF WILLINGBORO**

A. Building Maintenance

The township should obtain competitive private contracts for its custodial services in the municipal complex. Based upon current market conditions, it is expected that the cost of building maintenance can be reduced by \$34,275.

B. Public Assistance Trust Fund

The surplus funds in the old Public Assistance Trust Fund are available to the township and should be realized as a revenue. This produces an income of \$2,700.

C. Public Library Operations

The operation of the Willingboro Public Library in overcrowded conditions within the municipal complex has reduced its value and service to the community. Participation with the Burlington County Library system would reduce the cost to the taxpayers by \$491,442.

D. Investment Income

A more aggressive cash management program could provide the township with additional investment income. A conservative investment program through the New Jersey Cash Management Fund could produce additional income to the township of \$52,650.

E. Property Tax Collections

The failure to aggressively pursue tax collections allowing the percent of taxes collected to decrease, has added to the property tax burden of all taxpayers. A 1% increase in the percentage of taxes collected would reduce the annual budget by \$245,000.

F. Police Department

The utilization of a police officer to serve as a mechanic repairing leased police vehicles is an inefficient assignment of police resources. Vehicle maintenance should be assigned to the Department of Public Works and the police officer reassigned to regular police duties. This recommendation will produce savings of \$20,000.

G. Recreation Programming

More than 85% of the cost of the recreation program is currently subsidized by the taxpayers. Reduction of the tax subsidy to 50% of the program cost would produce additional income to the township of \$140,000.

FINDINGS AND RECOMMENDATIONS

A. BUILDING MAINTENANCE

The team reviewed the operation of building maintenance in Willingboro Township, and found the township currently employs three individuals at a salary cost of \$64,191, with approximately \$22,582 worth of benefits. The total labor cost of building maintenance is approximately \$86,773.

RECOMMENDATION

The team reviewed various building maintenance contracts for custodial services, including the supply of necessary cleaning materials from various State agencies, municipalities, and school districts. We concluded that private contract costs range from \$.75 cents to \$1.75 per square foot for these services.

Assuming that the Township of Willingboro can contract at a price of \$1.75, it is estimated that the municipal building, which measures 30,000 square feet, could be cleaned by a private contractor for \$52,500. This could provide a cost reduction of \$34,275. The team made a similar suggestion to the School Board. The simultaneous consideration of a competitive contract by the School Board and the Township should serve to lower the price per square foot.

B. PUBLIC ASSISTANCE TRUST FUND

The team in its interview with the Public Assistance Office discovered that no activity has taken place under the older trust fund known as Public Assistance Trust Fund #1.

RECOMMENDATION

The current balance of \$2,700 can be closed out to the current fund. This is a revenue enhancement of \$2,700.

C. LIBRARY

The Township of Willingboro provided an annual budget of \$863,834 for a free public library for 1994. This free public library is available to all residents of Willingboro at no cost except for late fees and fines.

The team conducted a close review of library operations. Both the staff and the team noted that there is a significant lack of space and an inability to properly expand the library or its services. The municipal building is already overcrowded for municipal and police operations, which restricts any plan for immediate library expansion. The circulation of library books and other materials decreased by 12% from 1993 to 1994 and by 32% from 1992. Attendance and

reference utilization has declined in a similar pattern. The team conferred with the Burlington County library officials concerning the various options available to Willingboro and their public library. This research showed that currently 6% of all Willingboro residents purchase a county library card, which provides \$77,000 a year in funds to the Burlington County library system. This is in addition to their property tax support, as a Willingboro resident, of the township public library.

The team found that due to the lack of automation, there was a high level of staffing in the library. It is felt that if the Willingboro library services were automated, the current staffing levels could be reduced and operations would improve overall.

RECOMMENDATION

Recognizing that a high percentage of high school students appear to be using the library at night for research, the team was sensitive to the value of a library within the confines of the township. The township is the largest community within Burlington County and, as such, the team accepts that a library is appropriate for the town. A simple solution for reducing the cost of library services would be to forego the continuance of the library and to join into the county library system. That change would increase the county's tax income by \$372,392 through the imposition of a county library tax on each homeowners bill. When contrasted against the municipal tax appropriation of \$863,834 the result would be overall tax savings of \$491,442 for the residents of Willingboro. With the current \$77,000 spent by some residents to purchase county library cards, close to \$568,442 in potential township wide savings could be achieved.

The team suggests, however, that another alternative be considered. We believe that turning library operations over to the County, with the understanding that a branch be maintained within Willingboro, is the best option. We believe that the county should not continue the library as a branch in its current facility. We recommend that the Willingboro Township Board of Education deed over to the township, at no cost, a portion of the vacant Stuart School for the establishment of a County branch library. The team visited Stuart School and found that the southerly wing was a former elementary school library and is adjacent to many empty classrooms and open space which would provide for a more spacious and usable library. This, coupled with the county library's automation techniques, would provide a better library with a higher quality of services to the residents and would provide a savings to the residents of the township. While the county system may eliminate some of the township positions, discussions with the Burlington County library indicate that a turnover of approximately 12 positions a year occurs within the county system. The county could possibly absorb any positions that are removed from the municipal budget.

D. INTEREST INCOME

The team performed a computerized analysis of cash flow as it relates to the finances of the Township of Willingboro, at the request of the Chief Financial Officer and her staff. A detailed review, bank statement by bank statement, was made on all checking and savings accounts. A significant number of the investments are currently in the cash management investment fund of the State of New Jersey. However, other accounts, such as capital, dog licenses, special law enforcement, payroll, trust and public assistance fund number two are not in the Cash Management Fund, but rather in a local interest bearing accounts.

RECOMMENDATION

Based upon our analysis, it was recommended that a cash management system be initiated by the Chief Financial Officer. We recommend that all accounts, including the current fund, should be moved into the cash management fund or otherwise be more aggressively managed. An analysis of the interest earned versus the interest that could have been earned through the cash management fund in 1993 indicates that approximately \$32,650 of additional income could have been earned for the current fund and \$20,000 could have been earned for the miscellaneous accounts noted above, providing additional revenue of \$52,650. The proper use of cash management would allow the Chief Financial Officer and her staff to make proper investments in the best interest of the town.

E. PROPERTY TAX COLLECTIONS

The team performed an analysis of the budgetary effect of the reserve for uncollected taxes. Municipalities are required to establish in each annual budget a reserve for uncollected taxes.

From 1989 to 1994, the township experienced a consistent slight erosion in its collection of taxes, and as a result an increase in the mandatory reserve. The collection percentage used in the current budget for 1994 was 94.34% which the team believes can be improved. In fact, the township collected 95.34% in 1993. Each municipality should strive to achieve a high level of property tax collection.

RECOMMENDATION

The administration should immediately utilize all available personnel to increase collection of delinquent and current taxes. This will not only lower next year's budget by reducing the reserve amount, but will add cash and interest income to the township.

Based upon our evaluation, we recommend the township immediately strive to achieve a one percent increase in tax collections. This will result in an immediate revenue enhancement of \$245,000. The maintenance of this number and the ongoing management efforts should be part of an annual report to the Mayor, Council and Manager.

F. POLICE DEPARTMENT

1. Vehicle Maintenance

A review of police operations showed that currently a patrolman, earning \$41,600 with approximately \$9,000 worth of benefits, is performing police vehicle maintenance. This produces a labor cost of \$50,600 with an additional cost of approximately \$3,600 for supplies, resulting in a total cost for police vehicle maintenance of \$54,200. The township currently leases police vehicles through Ford Motor Corporation with the lease including a long-term warranty and maintenance providing for most maintenance beyond routine oil changes and tire upkeep.

RECOMMENDATION

While we recognize that police vehicles must have a priority in vehicle maintenance, it is recommended that police vehicle maintenance immediately be taken over by public works. A review of the public works vehicle maintenance facility showed that a fully working garage staffed by two mechanics was available for maintenance of public works vehicles. An immediate cost savings of \$20,000 would result even if a mechanic was hired to replace the current policemen. Additional savings would be available through the elimination of two existing workshops and two identical sets of tools.

G. RECREATION

A review of the recreation operation by the team showed that the township generated approximately \$52,767 in revenues for 1993 operations.

Operating expenses for the recreation department consist of \$178,106 in salaries and wages, approximately \$54,000 in benefits and \$153,500 in other expenses. Recreational operations in the city are funded through non-subsidized programs and subsidized programs. The township offers a wide variety of recreational activities for children and adults to enjoy. The team visited the recreational maintenance building, Mill Creek Park and explored other recreation facilities. The recreation department utilizes school buildings and other public areas for its programs and offers a comprehensive series of programs.

The maintenance of recreation facilities and parks is performed by the Public Works Department. The recreation budget is not a true indication of the cost of recreation.

RECOMMENDATION

Based upon our review and discussion with the recreation director and director of Public Works, it is the team's recommendation that all recreation programs be

evaluated to determine the appropriate level of public subsidy. The Township must recognize that taxpayers subsidize more than 85%, or \$330,000, of the recreation program. It is recommended that an annual review be taken to evaluate expense and revenues, and set more realistic fees. We would set a 50% subsidy as an appropriate target. This will result in an increase of \$140,000 in revenue.

H. SHARED SERVICES

1. Purchasing

The team has identified a unique opportunity for all three public entities that serve the population of Willingboro township to generate cost savings and provide immediate tax relief through the development of a centralized purchasing system. The township is served by three completely independent governments: the Board of Education, municipal utilities authority and the Township. While the team did not conduct a detailed examination of the utilities authority, a copy of their audited financial statements was provided for the year 1993. We determined that \$667,500 worth of goods or services were purchased by the authority, approximately \$2,545,000 by the township, and approximately \$2,748,000 worth of goods or services were purchased by the school district. The combined expenditures for all three entities is \$5,960,500.

Discussions with the Executive Director of the Municipal Utilities Authority revealed that due to the scope of their operations, he was required to handle the purchasing function with his department heads. Our review of both the school district and township revealed that a purchasing system was in place for both entities. The township, however, does not currently have a purchasing officer who can control the expenditures to ensure all available discounts are taken, effectively solicit quotes and combine proposed expenditures to achieve economies of scale. While the school district maintains a purchasing officer, our analysis indicated that many expenditures in the district were done around the purchasing office.

RECOMMENDATION

A unique opportunity for municipal-wide shared services of purchasing exists in Willingboro. As an initial step of shared services, it is strongly recommended that all three public entities (MUA, Township, School District) immediately form a joint study team of the executive director, school business administrator and township manager to establish a township-wide purchasing system.

The first step would be to identify existing inventory and needs followed by an analysis of purchases over the last three to four years. A physical inventory of all equipment, office machinery and furniture and fixtures should be taken to identify possible common ordering pools for purchases and bids. Strict purchasing guidelines may have to be put in place.

2. Vehicle Maintenance

The team also reviewed whether all three entities could share vehicle maintenance costs.

The Willingboro Township Municipal Utilities Authority spends approximately \$40,000 annually on vehicle maintenance, the Board of Education spends approximately \$284,790, with a staff of three mechanics and a supervisor to maintain 54 school buses, vans, tractors and grounds maintenance equipment. The police department has one police officer performing vehicle maintenance and utilizes other small contractual services, costing \$68,500. Public Works employs two mechanics to maintain more than 70 vehicles including tractors, riding mowers, trailers, one street sweeper and other township cars and trucks at an annual cost of \$115,000 in salaries and benefits.

The gross amount spent township wide for vehicle maintenance is approximately \$508,290 to maintain a fleet of approximately 200 pieces of motorized equipment.

RECOMMENDATION

It is recommended that the existing vehicle maintenance facility of the schools be examined for the potential of performing all vehicle maintenance for the township, school district, and utilities authority.

The same steering committee of the executive director, school business administrator and town manager should be empowered by the elected and appointed boards to review this concept.

The school features an existing bus garage with mechanics and supervisors. More importantly, a review of the transportation facility showed that management and information systems were in place to provide for ongoing vehicle maintenance. A job order ticket system would allow proper vehicle maintenance costs to be charged back to the various entities on a cost basis.

LOCAL GOVERNMENT BUDGET REVIEW

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